Wealth Markets and Commerce

Finance - Economics

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The number of commercial failures last week was 18 per cent smaller than in the corresponding week last year, when business mortality was at a low ebb. In January, 1918, there were 14 per cent fewer failures than in January, 1917. In the calendar year 1917 only eight-tenths of 1 per cent of the 1,733,225 concerns doing business in this country became insolvent. A lower percentage than that has not been recorded in a good many years, and it has been equalled only twice in the last decade. This is a truly amazing record when it is considered that for more than ten months business has been undergoing a process of readjustment the like of which has seldom been witnessed. It has been said that the difference between prosperity and depression ordinarily is no more than 15 or 20 per cent in the turnover of business. The actual volume of business done as measured by clearings and prices is currently less than 80 per cent of the turnover a year ago. That the country's commercial structure has withstood the shock of such a drastic curtailment, accompanied as it has been by such a far-reaching disturbances as the recent industrial shut-down, clearly indicates that business was on a much stronger foundation than had been generally supposed. As a rule, when business undergoes such a mushroom-like growth as was witnessed in the thirty months preceding our entrance into the war, a great crash follows the first unfavorable development. The calamity is so delinquent this time that there is ground for hope that it will not come until we enter the period of deflation some time after the war ends.

The general level of commodity prices advanced very sharply in the month ended February 1. Measured by Dun's index number, the cost at wholesale of a given number of each of a varied group of products was $227, which is $37, or, roughly, 20 per cent, more than the cost on April 1, 1917. A significant feature of this index is that the rise between January 1 and February 1 of this year was substantially greater than the upward movement in any month since last summer, this despite the fact that the index includes commodities the prices for which have been fixed. Evidently the inflation arising out of the government's huge financial operations is beginning to have a more pronounced effect upon prices. It would not be surprising to see this index advance much more rapidly henceforth than it has at any time since the war began. At present prices are about 90 per cent above the average on August 1, 1914.

Current Opinion

"The Right Way to Lend"

(The "Committee of Economics")

There are two ways for us to lend money to our country. The right way is the frank and honest way of saving, by spending less or earning more. The other and wrong way is the at first cheap and easy, although ultimately costly and painful, way of lending the government what we borrow from the bank. Even that species of robbing Peter to pay Paul is, of course, better than paying Paul nothing, for Paul, i. e., the United States Treasury, must have the cash. But it can be justified only when unavoidable or when used as a temporary expedient, and the debts so contracted are soon repaid out of savings.

If I buy government securities by giving up the purchase of a pleasure automobile, the government can buy a military truck with the same money, and the labor and capital which would have made the pleasure car for me will make the truck for the army instead. That is the right way.

The wrong method is employed if I insist upon buying that pleasure car and so can buy the government securities only by borrowing the money at a bank. I have sacrificed nothing out of current money income. I have simply increased the money income of the government. The bank which lends me the money does so by writing down a "deposit" to my credit on its books, which "deposit" I transfer to the government. This "deposit" provides purchasing power without providing or releasing anything to be purchased. The result is that instead of labor and capital turning from the making of pleasure cars to the making of motor trucks they are called upon to make both. I give the government my check to buy the truck, but at the same time I enter the market to prevent the government from getting it. In short, the public by its paper subscriptions appears generous to its government, but is selfishly refusing to make the actual sacrifice.

Price Fixing and Production

(Engineering and Mining Journal)

The reason why any price fixing discourages production is in no way mysterious. Take the case of copper, for example. Before the "fixing" the price was about 26 cents, not the 35 cents that the authorities adopt in estimating the millions they saved the public. Even at 26 cents there was some copper produced at no profit. Such production is checked immediately, for there is no longer the incentive to those producers to keep going in anticipation of a higher price that natural market conditions might establish. The industry adjusts itself to a basis of 23½ cents, with another group of producers simply getting a new dollar for an old one. But that condition does not last. The prices for labor and material, which are not fixed, go up, the cost of producing copper goes up, and each rise blows out some more producers just as surely as if the price for copper were falling.

Non-Essentials

(T. N. Carver, in The Evening Post)

If I really wanted to accomplish such a disloyal purpose as to keep men out of the war industries I should spend as much money as I could for non-essentials, and I should advise every one else to do the same. I should publish articles advising against too much economy, and should do all in my power to get people to spend their money for non-essentials. I should advertise non-essentials in as alluring forms as I could invent. Every dollar which is spent for these things will hire some one to make and sell them, and the more these things are bought the more man-power will be hired to stay in the non-essential and out of the essential industries.

I am not a believer in mob violence, but if there is any one who deserves to be mobbed it is not these poor simpletons who make ineffective speeches against working in the war industries, though they are bad enough; it is rather those respectable people, some of them in positions of high authority, who still persist in advising people that they must continue spending their money freely for things which they do not need in order that business may not be disarranged.

Money and Credit

The banks were heavy losers of cash on last week's operations, the Clearing House statement yesterday showing a decrease of $60,054,080 in surplus reserves.

The actual condition of member banks shown by the Clearing House statement yesterday follows:

Loans, discounts, investments, etc.	$4,215,449,000
Cash in vaults of Federal Reserve members	100,649,000
Reserve in Federal Reserve Bank	485,165,000
Reserve in vaults of state banks and trust co'nies.	16,651,000
Reserve in depositories	7,443,000
*Net demand deposits	3,603,346,000
Net time deposits	200,776,000
Circulation	34,154,000
Aggregate reserve	509,259,000
Excess reserve	29,251,200

*United States deposits deducted, $359,478,000.

The changes from a week ago were:

Loans and discounts	Inc.	$6,143,000
Cash in vaults of Federal Reserve members	Inc.	2,538,000
Reserve in Federal Reserve Bank	Dec.	70,202,000
Reserve in vaults of state banks and trust co's	Dec.	1,514,000
Reserve in depositories	Dec.	1,705,000
Net demand deposits	Dec.	96,926,000
Net time deposits	Dec.	1,314,000
Circulation	Dec.	89,000
Aggregate reserve	Dec.	73,421,000
Excess reserve	Dec.	60,054,080

Bank Clearings.—The day's bank clearings at New York and other cities were:

	Exchanges.	Balances.
New York	$597,002,902	$64,498,578
Boston	52,816,703	7,944,024
Philadelphia	63,869,700	12,976,295

Silver.—Bars in London were quoted at 42⅝d, a decline of ⅛d; New York, 85⅝c, down ¼c; Mexican dollars, 68 cents, unchanged.

Sub-Treasury.—The banks lost $105,000 to the Sub-Treasury yesterday.

Acceptance Rates.—Current bid prices for prime acceptances are as follows:

Spot delivery:	Thirty days.	Sixty days.	Ninety days.
Eligible member banks	4%	4 1/16%	4 1/16%
Eligible non-member banks	4⅛%	4¼%	4¼%
Ineligible bank bills	5 %	5 %	5 %

For delivery within thirty days:

Eligible member banks	4¼%
Eligible non-member banks	4⅜%
Ineligible bank bills	6 %

Discount Rates.—Official rates of discount for each of the twelve Federal districts are as follows.

	Days: 15 or less.	Over 15 up to 30.	Over 30 up to 60	Over 60 up to 90.
Boston	4	4	4½	4½
New York	3½	4½	4½	4½
Philadelphia	4	4	4½	4½
Cleveland	4	4	4½	4½
Richmond	4	4½	4½	4½
Atlanta	4	4	4½	4½
Chicago	4	4½	4½	5
St. Louis	4	4	4½	4½
Minneapolis	4	4	4	5
Kansas City	4	4½	4½	4½
Dallas	4	4	4½	4½
San Francisco	4	4	4½	4½

London Money Market.—LONDON, Feb. 16.—Money was steady at 3¼ per cent. Discount rates—Short and three months' bill, 3⅝ per cent. Gold premium at Lisbon, 110.00.

Dollar in Foreign Exchange

Political and military developments abroad have not been reflected in an important way in the foreign exchange market during the past week. Fresh peace discussions have been without apparent effect on day-to-day rates. Of greater interest to dealers was President Wilson's proclamation placing all the foreign trade of the country under control by license. This is expected in time to have an important effect on exchange rates on neutral countries. With imports, as is likely, reduced mainly to essentials, the demand for exchange is expected to fall off in many cases. Whatever happens, it is likely that the scope of the exchange market will be lessened and dealings thereby considerably reduced. It is thought probable that the premium on some of the neutral exchanges will disappear as imports from those countries fall away.

The principal development in the exchange market itself during the week was the fresh weakness displayed by rates on Italy, lire falling to 8.69 for checks, despite the additional $50,000,000 credit advanced to Italy by the United States government. Discussing the continued decline in Italian exchange, Luigi Criscuolo, in "The Bankers Magazine," says:

"While the United States government has an interest as an ally of Italy in keeping her supplied with funds and munitions of war, especially since both nations are now at war with Austria, it really has no direct interest in stabilizing the exchange rate, since such an operation would require many millions of dollars yearly. As it is a speculative proposition, it is doubtful whether the government would care to take part in it, although it might give its sanction to any strong group of bankers which would underake to handle the operation.

"In ordinary times a banking credit would be the logical solution, but from impressions gained in the last few months the time is not opportune. It is, obviously, a question that should be watched closely, and this work should be performed by a group of men who are competent in their respective vocations—bankers, business men and writers on economic subjects.

"For the last few months Italian newspapers and periodicals have published many criticisms of bankers who encouraged speculation in lire and of the Italian government officials who took no steps to stabilize the rate by artificial means such as have been employed in other countries. It is the writer's opinion that at this time a great deal can be done in the United States to strengthen Italy's financial position, with great future profit to American financiers, merchants and manufacturers. The work should be conducted through some sort of coöperation between the Italian Embassy and a group of bankers through a financial attaché who is familiar with American financial methods and who could interest American capitalists in what Italy has to offer."

If you calculate the cost of the dollar in terms of foreign money at par value—that is, as if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be about as follows:

	Cost of one dollar: Yesterday.	Year ago.
In English money	$1.02	$1.02
In French money	1.10	1.12
In Dutch money	.92	.99
In Swiss money	.85	.97
In Swedish money	.84	.91
In Russian money	3.86	1.76
In Italian money	1.67	1.41

Closing rates yesterday, compared with a week ago, are given in the table below. American bankers have suspended all dealings in German and Austrian exchange, so that daily quotations for either marks or kronen are no longer available.

	Yesterday.	Week ago.
(Quoted dollars to the pound.)		
Sterling, demand	$4.75¼	$4.75 7/16
Sterling, sixty days	4.71¾	4.72
Sterling, cables	4.76 7/16	4.76 7/16
Sterling, ninety days	4.69¾	4.70
(Quoted units to the dollar.)		
Francs, demand	5.72¼	5.71¾
Francs, cables	5.70¼	5.69¾
Lire, checks	8.69	8.63½
Lire, cables	6.68	8.62½
Swiss, checks	4.48½	4.51½
Swiss, cables	4.46½	4.49½
(Quoted cents to the unit.)		
Guilders, checks	43¼	43½
Guilders, cables	44¼	44
Rubles, cables	13.25	13.25
Stockholm, kr., ch'ks	33.00	33.25
Copenhagen, kr., ch'ks	30.50	31.00
Pesetas, checks	24.20	24.15

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75 7/16	$4.86⅝
Francs	0.17.5	0.19.3
Guilders	0.44	0.40.2
Rubles	0.13.25	0.51.2
Lire, checks	0.11.80	0.19.3
Crowns (Denmark)	0.31.00	0.26.8
Crowns (Sweden)	0.33.00	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.75 7/16. The intrinsic parity is $4.86⅝ per pound. Thus you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

British Columbia Crops

Increased Production of Fruit Sold at Good Prices

From Vernon, centre of the fruit growing area of interior British Columbia, the statistics of the 1917 fruit crop have just been issued. The total output reached $3,000,000. The crop was slightly in excess of 1916, but the best prices since 1910 prevailed. A very complete system of distribution has been established, thus saving losses caused in former years. The big bulk of the crop was sold in the Canadian prairies and Vancouver. Seventy-five cars of apples were shipped, fifty to New Zealand and Australia, and twenty-five to South Africa. Altogether 2,500 cars of fruit were shipped, of which 2,025 were apples, the balance being made up of plums, peaches, apricots, prunes and small fruits.

As compared with last year, the increase in prices was 20 per cent on apples, 25 per cent on plums and peaches, 25 per cent on crab apples, 15 per cent on prunes, and 30 per cent on apricots. Scarcity of labor, high cost of living, and the doubling in the price of box material, paper for wrapping and nails, lessened the profits somewhat, but, in general, the growers of British Columbia had one of the most successful years on record. The response of the women to the call for workers to pick fruit helped largely to save the crop and keep down the prohibitive demands made by Chinese labor.

The British Columbia timber output, aided by the Brewster aid to shipping bill and the general increased demand for building materials of all kinds, as just given out by the forest branch of the Lands Department at Victoria, shows a large increase over the last two years. For the first ten months of 1917 the output was 1,304,725,000 feet, board measure, an increase of 24,462,000 over the preceding twelve months. The revenue in 1916 from manufactured lumber was $15,012,050. It is expected by the end of the present year an increase of $7,500,000 on this will be made.—Christian Science Monitor.

Using Cast Iron for Shells

They are making shells of cast-iron in France, making them at the rate of 1,000,000 a day. "The Scientific American" quotes Edgar A. Custer as saying these are more effective than steel shells in attacking earthworks, for they behave as if the explosive they contain was detonated directly in the earth. And in the open they burst into a far greater number of fragments than a steel shell will give.

Federal Reserve Banks

WASHINGTON, Feb. 16.—A decline of $92,000,000 in the reserve account held for members since a week ago was shown by this week's Federal Reserve financial statement. Total resources increased by $11,000,000. The banks' condition at the close of business Friday, compared with a week ago, was as follows:

RESOURCES	February 15.	February 8.
Gold coin certificates in vault	$446,378,000	$439,907,000
Gold settlement fund	386,963,000	404,042,000
Gold with foreign agencies	52,500,000	52,500,000
Total gold held by banks	$885,844,000	$896,449,000
Gold with Federal Reserve agents	852,375,000	838,259,000
Gold redemption fund	20,323,000	19,960,000
Total gold reserves	$1,758,542,000	$1,754,668,000
Legal tender notes, silver, etc.	60,194,000	58,426,000
Total reserves	$1,818,736,000	$1,813,194,000
Bills discounted—members	501,916,000	525,121,000
Bills bought in open market	287,263,000	280,706,000
Total bills on hand	$789,179,000	$805,826,000
United States government long term securities	52,343,000	52,294,000
United States governm't short term securities	105,981,000	173,588,000
All other earning assets	4,486,000	4,423,000
Total earning assets	$951,989,000	$1,036,131,000
Due from Federal Reserve banks—net	17,258,000	12,458,000
Uncollected items	357,069,000	272,506,000
Total deductions from gross deposits	$374,327,000	$284,954,000
Five per cent redemption fund against Federal Reserve Bank notes	537,000	537,000
All other resources	582,000	551,000
Total resources	$3,146,171,000	$3,135,277,000
LIABILITIES		
Capital paid in	$73,229,000	$72,829,000
Government deposits	87,643,000	59,488,000
Due to member banks—Reserve account	1,409,714,000	1,501,301,000
Collection items	228,289,000	167,154,000
Other deposits, including for'n gov't credits.	52,315,000	59,854,000
Surplus	1,134,000	1,134,000
Total gross deposits	$1,777,961,000	$1,787,817,000
Federal Reserve notes in actual circulation	1,281,045,000	1,261,219,000
Federal Reserve Bank notes in circulation, net liability	7,999,000	8,000,000
All other liabilities	4,803,000	4,278,000
Total liabilities	$3,146,171,000	$3,135,277,000

Ratio of gold reserves to net deposit and Federal Reserve note liabilities combined, 65.5 per cent. Week before, 63.5 per cent.

Ratio of total reserves to net deposit and Federal Reserve note liabilities combined, 67.7 per cent. Week before, 65.6 per cent.

Federal Reserve Bank of New York

RESOURCES	Feb. 15.	Feb. 8.
Gold coin and gold certificates:		
Gold settlement fund	$107,790,000	$90,820,000
Gold in vaults	304,027,138	303,220,643
Gold with foreign agencies	18,112,500	18,112,500
Gold with Federal Reserve agent and in redemption fund, Federal Reserve notes	265,239,030	265,525,315
Total gold reserve	$695,168,668	$677,678,458
Legal tender notes, silver certificates and subsidiary coin	39,201,351	38,577,175
Total reserve	$734,370,020	$716,255,634
Bills discounted and bought:		
Commercial paper	161,395,781	177,237,389
Acceptances	170,759,508	166,236,490
Totals	$332,155,290	$343,473,879
Investments:		
United States bonds and notes	50,752,398	111,686,798
Municipal warrants	510,701	510,701
Totals	$51,263,099	$112,197,499
Due from other F. R. banks (net)	———	———
Total resources	$1,117,788,410	$1,171,927,013
LIABILITIES		
Capital	$19,656,250	$19,383,050
Member banks' deposits (net)	593,401,135	659,215,147
Non-member bank deposits (net)	1,385,656	10,467,312
Government deposits	6,123,011	7,335,342
Due to other Federal Reserve banks (net)	38,226,476	29,909,236
Federal Reserve notes (net)	412,448,830	404,130,945
All other liabilities	46,547,050	41,485,979
Total liabilities	$1,117,788,410	$1,171,927,013
Federal Reserve notes outstanding	$470,379,030	$466,665,315
Against which there is deposited with Federal Reserve agent:		
Gold and lawful money	255,239,030	255,525,315
Commercial paper	220,955,200	212,983,652

Relevant Comment

Great Northern Ore Dividend

Directors of the Great Northern Iron Ore Properties yesterday declared a dividend of $1 a share on the 1,500,000 outstanding shares of stock. Inasmuch as a similar declaration was made six months ago, the question whether it might be the intention of the board to place the stock definitely on a $2 annual basis was immediately raised. The full dividends paid in 1917 amounted to $1.50 a share; in 1916 $1.25 a share was paid, and in the period from 1911 to 1915 the rate was 50 cents. The disbursement to stockholders last year was the largest with the exception of 1910. The dividend declared yesterday is payable March 15 to stockholders of record on February 28. Great Northern Ore stock advanced to 29¼ following the action of the directors. The closing price was 29, a net gain of 1½ points.

American Can Sinking Fund

The annual report of the American Can Company for 1917, issued last week, showed that during the year $514,500 of the 5 per cent sinking fund debentures were retired. On February 1, 1913, there was offered to the public $15,000,000 of these securities at 97½ and interest. Since that time $2,127,500 have been retired, leaving the amount still outstanding at $11,872,000. The sinking fund provides that the company must pay the trustee $500,000 in cash on or before May 1 each year, to be invested in the debentures at not exceeding 102½ and accrued interest. Their present market quotation is 93½ asked.

Hercules Powder Assets Less

Total assets of the Hercules Powder Company were reduced during 1917 to about the extent of the Anglo-French bonds distributed to stockholders last March. In regard to new financing, R. H. Dunham, president, said that no additional issues of capital are now in prospect, "as, in the opinion of the directors, the company is sufficiently supplied with working capital to carry through the enlarged volume of business that probably will continue until the end of the war. There is something over $9,000,000, or about $125 a share, now invested in working capital which will be required while the increased military business continues, after which this sum will be available either for distribution to the common stock holders or to enable the company to extend its business through the period of readjustment that must necessarily follow the close of the war. It is probable the quarterly disbursement can be continued until that time."

Provide for 'Frisco Bonds

Directors of the St. Louis-San Francisco Railroad Company have declared the six months' interest to December 31, 1917, on the cumulative adjustment bonds, payable April 1. The net income available for this purpose was $4,633,558. The 3 per cent payment will require about $1,162,000.

Silver Legislation Drags

The silver trade is still waiting for the government to put through its special legislation which will fix the price and provide $150,000,000 worth of the metal through the sale of that amount of silver dollars now held back of outstanding silver certificates. So many different interests are concerned in the proposed legislation that it is likely much time will elapse before the bill is completed and enacted into a law. Silver mining interests are holding out for a high price—around a dollar an ounce. The British government, on the other hand, wants a lower figure. In the meantime the silver market is dull, with only a small amount of business doing.

"Public Safety Measures"

The spirit of reform is spreading. A few days ago members of the Curb Market Association revived the agitation to take their market indoors, so that closer supervision of the activities of the members might be attained. Now comes the following statement from the Consolidated Stock Exchange:

"In a further endeavor toward instituting public safety measures the governing committee of the Consolidated Stock Exchange has under serious consideration the advisability of requiring every branch manager and correspondent to become a member of the exchange and thereby enable the exchange to exercise greater official jurisdiction over their business transactions of every kind."

In Japan, Too

The steady advance of coal in Japan since the war started has led to increased colliery enterprises. The recognized coal fields being limited, efforts are now being made to exploit the Japanese portion of Saghalien. Hitherto the authorities have practically prohibited private working of coal fields, but this ban will be removed to some extent to relieve the present shortage.

The Mitsui, Mitsubishi and other industrial concerns are said to be competing for coal-field concessions in Saghalien.

Interior Banks Withdraw Funds From New York

Preparations to Buy Treasury Certificates Cause Reserves Here to Fall

Preparations made by banks throughout the country to meet the forthcoming issues of United States Treasury certificates of indebtedness, which are expected to approximate $3,000,000,000 by the time the third Liberty Loan is offered, were largely responsible for the reduction of $60,054,000 reported yesterday in the surplus reserves of the New York Clearing House institutions. This reduced the surplus of the local banks to $29,251,200, the smallest with one exception since the establishment of the Federal Reserve Bank system. On September 4 last the surplus stood at $12,307,000. During the week of December 15 it stood as high as $150,000,000.

Banks in the interior of the country withdrew funds heavily from this centre last week, presumably in order to be in a position to meet present and future certificate issues. This was indicated by a decrease of $98,000,000 in deposits. The local banks met these demands principally by transfers against their reserves in the Federal Reserve Bank, which decreased $70,200,000.

In spite of the heavy subscriptions of the local banks to the current offering of certificates of indebtedness the loan account increased only $6,143,000, indicating that the banks were able to curtail their investments in other directions.

United States government deposits with New York banks at the close of the week aggregated $359,478,000, a decrease of $50,272,000 compared with the preceding week.

The weekly statement of the Federal Reserve Bank of New York disclosed a decrease of about $11,000,000 in bills discounted and bought, this item amounting to $332,135,290 at the end of the week. The gold settlement funds increased from $90,820,000 to $107,790,000. Federal Reserve notes outstanding increased $4,000,000 to a total of $470,379,030.

Banks Respond Liberally to Secretary McAdoo's Appeal

WASHINGTON, Feb. 16.—Banks responded liberally to the recent appeal of Secretary McAdoo to lay aside 1 per cent of their resources weekly for purchase of certificates of indebtedness issued in anticipation of the third Liberty loan, according to preliminary reports to-night from Federal Reserve banks on the sale of the $500,000,000 block which closed yesterday. So many subscriptions were received that it will be impossible to tabulate all until Monday or Tuesday, and consequently the aggregate subscribed was not determined.

Secretary McAdoo announced that other issues would be announced about every two weeks until the toal reaches $3,000,000,000. If this plan is followed closely another block of certificates will be offered next week.

News Digest

Foreign

Paris Bourse.—PARIS, Feb. 16.—Trading on the Bourse to-day was very calm. Prices were unchanged.

Elections

H. W. Fuller, of Byllesby & Co., has been elected vice-president in charge of operations of the Northern States Power Company.

Corporation Returns

By-Products Coke Corporation.—Net earnings for year ended December 31 were $3,089,783, compared with $2,219,643 for 1916. Total earnings amounted to $3,415,259, compared with $2,473,345 for the previous year.

Hudson & Manhattan

	1917	1916
December gross	$586,540	$550,125
Net	306,191	320,330
Surplus	89,038	104,673
Six months' gross	3,159,045	2,947,134
Net	1,617,844	1,633,153
Surplus	310,768	342,365

American Cities Company

	1917	1916
November gross	$1,452,103	$1,353,260
Net	458,399	496,602
Surplus	141,742	189,246
Twelve months' gross	16,583,375	15,347,436
Net	5,571,805	5,443,156
Surplus	817,188	757,179

Extra Dividends

Gorham Manufacturing Company.—An extra dividend of 2 per cent on the common stock has been declared, in addition to the regular quarterly dividend of 2 per cent, payable February 26 to stock of record February 23.

Dividends Declared

American Power & Light Company.—Regular quarterly dividend of 1 per cent on the common stock, payable March 1 to stock of record February 19.

Boston & Albany Railroad.—Quarterly dividend of 2 per cent, payable March 30 to stock of record February 28.

Chestnut Hill Railroad Company.—Regular quarterly dividend of 1½ per cent, payable March 4 to stock of record February 20.

Cudahy Packing Company.—Regular quarterly dividend of 1¾ per cent on the common stock, payable March 15 to stock of record March 5.

Philadelphia, Germantown & Norristown Railroad.—Quarterly dividend of 3 per cent, payable March 4 to stock of record February 20.

Great Northern Iron Ore Company.—Dividend of $1 per share, payable March 15 to stock of record February 28.

Southwestern Power & Light Company.—Regular quarterly dividend of 1¾ per cent on the preferred stock, payable March 1 to stock of record February 19.

United Drug Company.—Regular quarterly dividend of 1¼ per cent on the common stock, payable April 1 to stock of record March 15.

United Eastern Mining Company.—Dividend of 5 cents per share, payable February 26 to stock of record February 12.

Smart-Woods, Ltd.—Regular quarterly dividend of 1¾ per cent, payable April 1 to stock of record March 28.

Cincinnati, New Orleans & Texas Pacific Railway Company.—Regular quarterly dividend of 1¼ per cent on the preferred stock, payable March 1 to stock of record February 20.

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$100,000,000 Loan To Cuban Sugar Growers Assured

Credit To Be Arranged in Form of Rediscountable Acceptances

Practically all of the $100,000,000 loan sought by Cuban sugar growers in the American market to finance the current crop has been assured, according to information obtained yesterday at the offices of the International Sugar Committee, which, with a committee of New York bankers, has been engaged for several weeks past in working out the details of the plan.

New York bankers and sugar refiners have subscribed $60,000,000 of the loan. The remainder has been contributed by Boston, Chicago, Philadelphia and New Orleans interests. The credit, it is understood, will be put into operation in the form of acceptances, which may be rediscounted at the Federal Reserve banks.

The committee of New York bankers which will aid in handling the operation of the loan in this city is made up of officials of the Guaranty Trust Company, the Chase National Bank and the National City Bank.

Financing of this year's Cuban sugar crop to supply the needs of the United States and the Allies is part of the food administration's general programme of distribution. The first step was the purchase of 2,500,000 tons of the crop, to be shipped to the United States and Great Britain. Shipments up to the present time, it is understood, have been paid for from advances by bankers, pending completion of the general financial plan. Delay in perfecting the details of this plan has been due to the unwillingness of bankers to go ahead until definite assurance had been received from the government Shipping Board that enough ships would be provided to carry the sugar to its appointed destinations.

The new Cuban sugar crop is estimated at approximately 3,500,000 tons. It is worth at present prices in excess of $300,000,000. In former years considerable amounts of gold have been shipped to Cuba as part payment for the commodity. The government's embargo on the exportation of gold has prevented payments from being made in that manner this year.

Cotton Goods Trade

[By The Associated Press]

Government purchases of cotton goods continue to exercise a dominant influence on a strong rising market. Civilian purchasers are finding it increasingly difficult to obtain goods and producers are insisting that anything like a normal output is impossible under present fuel and other conditions. Efforts to move merchandise have been more earnest this week, and they have been aided by more favorable weather conditions.

The government is negotiating for 250,000,000 yards of bandage cloths, for which it has decided to pay 71 cents a pound, to selected Fall River mills, and it is expected this will be the first of many moves to put industry and prices under stricter war control.

Other purchases or inquiries have included several million yards of denims, twills for middy blouses and wide sheetings. The jobbing trade is more active and retailers report improved trade with the milder weather. Print cloths are higher, fine combed yarn goods have been advanced sharply and inquiries for many staple goods are steady. Yarns and knit goods are firm, with trade less active than is noted on cloths.

Quotations on staple cotton goods are as follows: Print cloths, 28-inch 64x64s, 13¾ cents; 64x60s, 13½ cents; 38½-inch 64x64s, 13¾ to 14 cents; brown sheetings, Southern standards, 21½ to 22 cents; denims, 2.20 Southern indigo, 32½ cents; tickings, 8-ounce, 37½ cents; standard prints, 13½ cents; staple ginghams, 18½ cents; dress ginghams, 22½ to 25 cents.

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National Conduit Report Shows Thin Margin of Profit

Surplus From Nine Months' Operations Amounts to $21,045

The National Conduit and Cable Company in the nine months ended December 31, 1917, according to a report for that period issued yesterday, saved only $1,231,684 in operating profits from the net sales of $20,318,539; manufacturing costs and administrative expenses consumed $19,086,855.

There was set aside $263,182 as a reserve for payment of excess profits and income taxes, while $15,591 was written off as representing the loss on the company's investment in Liberty bonds. Presumably the bonds were sold in the open market, as the balance sheet shows no record of such holdings. Deductions, less discount on bonds purchased for sinking fund purposes, were $625,573, leaving a surplus of $692,539 from the nine months' operations.

Further deductions, which included certain charges incurred before the reorganization of the company last April, amounted to $171,494, leaving a balance for dividends amounting to $521,045. Dividends paid consumed $500,000, leaving a final surplus of only $21,045. On December 31 the company had cash on hand of $1,430,647.

Captured German Land In Africa Is Valuable

One result of the taking of German Southwest Africa by the South African Union troops has been the discovery that, instead of its being largely a barren wild, it contains much good land suitable for cultivation and grazing. In a recent speech, Sir Thomas Watt, a member of the South African Union ministry, said that instead of finding it a desert he found good land in the conquered territory, with wonderful grasses, a great deal of vegetation, fat cattle, splendid horses, and first-class sheep, and he gained the impression that it only required money and energy under British occupation to make it "a land of milk and honey."—Argonaut.

Significant Relations

Money and Prices:	Now.		A year ago.
Stock of money gold in the country	$3,038,545,642		$2,912,465,116
	Nov. 20, 1917.		Nearest period previous year.
Loans of all national banks	$9,535,000,000		$8,345,784,000
	Last week.		A year ago.
Bills discounted and bought by Federal Reserve Banks	$789,179,000		$145,607,000
Federal Reserve notes in circulation	1,281,045,000		291,839,000
Total gold reserve	1,758,542,000		*789,662,000
	Yesterday.	The day before.	A year ago.
Average price of 15 railroad stocks	92.20	92.36	111.52
Average price of 12 industrial stocks	87.02	87.03	94.80
	Last week.	The week before.	A year ago.
Food cost of living (Annalist index number)	287.50	284.48	219.62
	Feb. 1.	Jan. 1.	A year ago.
General commodity price level (Dun's index number)	227.02	222.17	176.27
Production:	Jan. 31.	Dec. 31.	A year ago.
Unfilled U. S. Steel orders, tons	9,477,853	9,381,718	11,474,054
	January.	December.	A year ago.
Pig iron (daily average), tons	77,799	92,997	101,643
	1917 yield, estimated.		The 1916 crop.
Wheat crop, bushels	650,828,000		636,318,000
Corn crop, bushels	3,159,494,000		2,566,927,000
Oats crop, bushels	1,587,286,000		1,251,837,000
Cotton crop, bales	10,949,000		11,449,930
Distribution:	Increase or decrease from last year: Fourth week of Jan. (16 roads.)	Month of Dec. (118 roads)	Jan. 1 to Dec. 31. (118 roads)
Gross railroad earnings	—3.1%	+6.1%	+10.7%
	Increase or decrease from last year: Last week.	The week before.	Year to date.
Bank clearings	+4.4%	+0.8%	+4.3%
General:	Jan. 31.	Dec. 31.	A year ago.
Active cotton spindles	33,552,732	33,649,076	33,016,893
Commercial failures (Dun's):	January.	December.	A year ago.
Number	1,178	1,055	1,540
Liabilities	$19,278,787	$14,043,716	$18,283,120

*Gold held by Reserve agents against circulation included in general fund beginning June 23, 1917. For purposes of comparison it is included in the 1916 figures.